Rs. 18.5 crores on account of additional infrastructure like road/bridges and Rs. 3.5 crores on account of additional public facilities over and above the policy provisions of R&R. Since these demands are beyond the policy provisions of R&R, Ministry of Finance have recommended that the Government of Uttaranchal may undertake the balance works from the 12% free power to which the State will be entitled. The other demands namely Rs. 14 crores on account of increase in cost of properties of Project Affected Families and Rs. 5 crores deduction of compensation already paid to oustees but not deducted by the GoUA from the enhanced House Construction Allowance were not found tenable under the present policy provisions. The balance Rs. 10 crores on account of increase in cost of land and Rs. 6 crores on account of conversion of partially affected villages to fully affected villages could be met from the cost escalation provisions.

Villages visited by Chairmen of REC

†2160. SHRIMOTILAL VORA: Will the Minister of POWER be pleased to state:

(a) whether the main purpose of establishing REC is the electrification of villages;

(b) whether any of previous five Chairmen of REC toured villages fpr the said purpose;

(c) if so, the number of villages in the various States alongwith number of these States toured by them;

(d) what was the report of the said tours; and

(e) the details of action taken on the said reports and results thereof?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (e) Rural Electrification Corporation (REC), a development financial institution promotes and finances rural electrification schemes in the country. The schemes are implemented by the borrowing State utilities/State Governments. REC has an established monitoring policy wherein the progress of projects is monitored by Corporation's project offices. The fund release is linked to the progress reports by them.

Chairman, REC, on his visits to the States reviews the overall progress of the projects financed by REC in the State. As many as 58 visits to different States were undertaken by the previous five Chairmen. These

†Original notice of the question was received in Hindi.

reviews cover the progress of implementation of approved schemes and the future financial and other requirements of the State utilities.

Review of **Electricity Act**

2161. SHRIMATI MOHSINA KIDWAI: Will the Minister of POWER be pleased to state:

(a) whether the Electricity Act, 2003 needs a review in order to have effective reforms in power sector; and

(b) what are the views of Government with regard to incorporating provisions relating to open access, accountability to Regulatory Commission etc.?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) The National Common Minimum Programme of the Government states "The review of the Electricity Act, 2003 will be undertaken in view of the concern expressed by a number of States. The mandatory date of June, 10,2004 for unbundling and replacing the State Electricity Boards will be extended".

The mandatory date of June 10,2004 for unbundling of State Electricity Boards has been extended for periods ranging from 2 months to 12 months in respect of 13 States who had requested for such extension. Further, the State Transmission Utilities having authorization under the repealed electricity laws, have been authorized to engage in the activity of bulk purchase and sale of electricity to distribution companies for a further period of one year from 10th June, 2004.

(b) The Electricity Act, 2003 provides for open access in transmission from outset. Section 42 of the Act provides that the State Regulatory Commissions shall introduce open access in distribution in phases having due regard to all relevant factors including cross subsidy and other operational constraints. It further provides that open access to all consumers, who require a supply of electricty, where the maximum power to be made available at any time exceeds one megawatt, be provided not later than 27th January, 2009.

As per the provisions of the Electricty Act, 2003, the licensees are accountable to Appropriate Regulatory Commission. One of the functions of the State Regulatory Commission under the Act is to specify and enforce standards with respect to quality, quantum and reliability of service by licensees. A distribution licensee is also mandated under the